



WORTH COUNTY, MISSOURI

TWO YEARS ENDED DECEMBER 31, 1999

**From The Office Of State Auditor  
Claire McCaskill**

Report No. 2000-114  
November 8, 2000  
[www.auditor.state.mo.us](http://www.auditor.state.mo.us)

**AUDIT REPORT**



Office Of The  
State Auditor Of Missouri  
Claire McCaskill

October 2000

[www.auditor.state.mo.us](http://www.auditor.state.mo.us)

**IMPORTANT:** The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Worth, which do not have a county auditor. However, to assist such counties in meeting federal audit requirements, the State Auditor will also perform a financial and compliance audit of various county operating funds every two years. This voluntary service to Missouri counties can only be provided when state auditing resources are available and does not interfere with the State Auditor's constitutional responsibility of auditing state government.

Once every four years, the State Auditor's statutory audit will cover additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.

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This audit of Worth County was a financial and compliance audit of various county operating funds.

- The county spent more than was budgeted in several funds during 1999 and 1998. While the County Clerk prepares periodic budget-to-actual reports, they were apparently not effectively used for the Special Road and Bridge Fund. For the years ended December 31, 1999 and 1998, the county spent more than the budgeted amounts in the Special Road and Bridge Fund by more than \$88,000 and \$116,000 respectively. The majority of the overspending involved disbursements for two federally-funded bridge projects. The county received and spent significantly more than the budgeted amounts for these projects, but failed to adequately compare the budgeted and actual amounts and therefore, did not prepare budget amendments.

The audit also includes some other matters upon which the county should consider and take appropriate corrective action.

**Copies of the audit are available upon request.**

YELLOW SHEET

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FINANCIAL SECTION

State Auditor's Reports



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

INDEPENDENT AUDITOR'S REPORT ON  
THE FINANCIAL STATEMENTS

To the County Commission  
and  
Officeholders of Worth County, Missouri

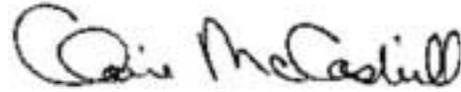
We have audited the accompanying special-purpose financial statements of various funds of Worth County, Missouri, as of and for the years ended December 31, 1999 and 1998, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Worth County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Worth County.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Worth County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 1999 and 1998, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we also have issued our report dated June 14, 2000, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

A handwritten signature in black ink that reads "Claire McCaskill". The signature is written in a cursive style with a large initial "C".

Claire McCaskill  
State Auditor

June 14, 2000 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Thomas J. Kremer, CPA
Audit Manager:	Mark Ruether, CPA
In-Charge Auditor:	Robyn Lamb
Audit Staff:	Julie Vollmer
	Linda Cockrell



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission  
and  
Officeholders of Worth County, Missouri

We have audited the special-purpose financial statements of various funds of Worth County, Missouri, as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 14, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Worth County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as finding number 99-1. We also noted certain immaterial instances of noncompliance, which we have reported to the management of the county in the accompanying Letter on Other Matters.

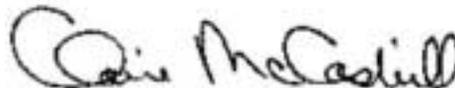
Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Worth County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial

reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the county's ability to record, process, summarize, and report financial data consistent with the assertions of management in the special-purpose financial statements. The reportable condition is described in the accompanying Schedule of Findings as finding number 99-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe that the reportable condition described above is a material weakness. We also noted other matters involving the internal control over financial reporting, which we have reported to the management of the county in the accompanying Letter on Other Matters.

This report is intended for the information of the management of Worth County, Missouri, and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.



Claire McCaskill  
State Auditor

June 14, 2000 (fieldwork completion date)

## Financial Statements

Exhibit A-1

WORTH COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS  
 YEAR ENDED DECEMBER 31, 1999

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ (1,449)	425,965	424,516	0
Special Road and Bridge	79,070	778,271	804,502	52,839
Assessment	570	40,745	41,315	0
Law Enforcement Training	3,033	650	1,065	2,618
Prosecuting Attorney Training	282	129	50	361
Law Enforcement Sales Tax	5,310	51,744	54,423	2,631
Capital Improvements Sales Tax 40%	23,214	18,557	15,174	26,597
Capital Improvements Sales Tax 60%	66,816	25,799	57,669	34,946
Emergency Preparedness	1,719	6,121	7,747	93
Senior Citizens Services	1,359	11,097	9,890	2,566
Bad Check	5,541	1,676	5,217	2,000
Juvenile Grant	1,972	38	266	1,744
Recorder User Fees	6,074	1,044	0	7,118
Domestic Violence	898	99	0	997
COPS Fast Grant	0	7,105	7,105	0
Prosecuting Attorney Delinquent Tax	720	334	0	1,054
Circuit Clerk Interest	410	368	0	778
Local Emergency Planning Committee	7,729	1,965	1,142	8,552
POST	266	503	0	769
Law Library	532	459	179	812
Total	\$ 204,066	1,372,669	1,430,260	146,475

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A-2

WORTH COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS  
 YEAR ENDED DECEMBER 31, 1998

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 1,599	410,972	414,020	(1,449)
Special Road and Bridge	76,884	667,307	665,121	79,070
Assessment	0	43,683	43,113	570
Law Enforcement Training	1,877	2,183	1,027	3,033
Prosecuting Attorney Training	125	157	0	282
Law Enforcement Sales Tax	5,139	50,177	50,006	5,310
Capital Improvements Sales Tax 40%	18,159	15,043	9,988	23,214
Capital Improvements Sales Tax 60%	76,312	25,118	34,614	66,816
Emergency Preparedness	327	9,207	7,815	1,719
Senior Citizens Services	3,810	8,534	10,985	1,359
Bad Check	3,879	1,662	0	5,541
Juvenile Grant	1,888	84	0	1,972
Recorder User Fees	5,046	1,028	0	6,074
Domestic Violence	786	112	0	898
COPS Fast Grant	824	9,330	10,154	0
Prosecuting Attorney Delinquent Tax	188	557	25	720
Circuit Clerk Interest	196	869	655	410
Local Emergency Planning Committee	7,181	1,957	1,409	7,729
POST	0	266	0	266
Law Library	203	484	155	532
Total	\$ 204,423	1,248,730	1,249,087	204,066

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

WORTH COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 GENERAL REVENUE FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>RECEIPTS</b>						
Property taxes	\$ 137,339	167,718	30,379	172,493	128,116	(44,377)
Sales taxes	55,000	50,668	(4,332)	56,500	46,510	(9,990)
Intergovernmental	30,095	14,171	(15,924)	18,995	24,130	5,135
Charges for services	48,413	54,002	5,589	41,524	43,455	1,931
Interest	450	144	(306)	400	387	(13)
Other	14,796	2,618	(12,178)	3,963	2,423	(1,540)
Tax anticipation note	152,116	121,380	(30,736)	100,104	135,829	35,725
Interfund loan	0	9,798	9,798	0	0	0
Transfers in	5,466	5,466	0	33,122	30,122	(3,000)
<b>Total Receipts</b>	<b>443,675</b>	<b>425,965</b>	<b>(17,710)</b>	<b>427,101</b>	<b>410,972</b>	<b>(16,129)</b>
<b>DISBURSEMENTS</b>						
County Commission	23,742	24,281	(539)	25,202	24,291	911
County Clerk	35,327	35,043	284	36,553	35,652	901
Elections	8,875	2,718	6,157	10,660	9,551	1,109
Buildings and grounds	21,271	21,711	(440)	25,822	25,349	473
Employee fringe benefits	15,365	13,935	1,430	16,100	15,189	911
County Treasurer	13,780	12,937	843	14,190	14,326	(136)
County Collector	23,660	22,177	1,483	24,025	21,532	2,493
Circuit Clerk/Ex Officio Recorder of Deeds	2,200	3,420	(1,220)	3,000	2,108	892
Associate Circuit Court	7,300	3,800	3,500	4,600	4,381	219
Court administration	1,055	0	1,055	1,925	233	1,692
Public Administrator	5,700	5,814	(114)	6,300	5,699	601
Sheriff	25,800	25,264	536	37,400	33,247	4,153
Jail	11,790	15,943	(4,153)	5,000	11,790	(6,790)
Prosecuting Attorney	36,310	36,830	(520)	37,475	38,638	(1,163)
Juvenile Officer	6,545	4,597	1,948	6,575	6,542	33
County Coroner	4,195	4,443	(248)	3,775	4,200	(425)
Public health and welfare services	2,500	2,500	0	5,000	5,000	0
Tax anticipation note repayment	135,829	135,829	0	91,026	91,026	0
Interfund loan repayment	0	2,352	(2,352)	0	0	0
Other	31,493	31,024	469	25,250	37,156	(11,906)
Transfers out	22,881	19,798	3,083	20,373	27,492	(7,119)
Emergency Fund	9,519	100	9,419	9,788	618	9,170
<b>Total Disbursements</b>	<b>445,137</b>	<b>424,516</b>	<b>20,621</b>	<b>410,039</b>	<b>414,020</b>	<b>(3,981)</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>(1,462)</b>	<b>1,449</b>	<b>2,911</b>	<b>17,062</b>	<b>(3,048)</b>	<b>(20,110)</b>
CASH, JANUARY 1	1,462	(1,449)	(2,911)	704	1,599	895
CASH, DECEMBER 31	\$ 0	0	0	17,766	(1,449)	(19,215)

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

WORTH COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 SPECIAL ROAD AND BRIDGE FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>RECEIPTS</b>						
Property taxes	\$ 162,567	185,616	23,049	193,579	140,995	(52,584)
Intergovernmental	465,805	483,709	17,904	302,853	401,829	98,976
Charges for services	64,597	62,920	(1,677)	64,000	64,463	463
Interest	3,669	2,837	(832)	3,000	3,669	669
Other	11,881	43,189	31,308	4,000	7,054	3,054
Tax anticipation note	0	0	0	48,609	48,609	0
Transfers in	0	0	0	0	688	688
<b>Total Receipts</b>	<b>708,519</b>	<b>778,271</b>	<b>69,752</b>	<b>616,041</b>	<b>667,307</b>	<b>51,266</b>
<b>DISBURSEMENTS</b>						
Salaries	156,349	113,440	42,909	143,094	117,983	25,111
Employee fringe benefits	24,268	15,164	9,104	24,268	15,701	8,567
Supplies	53,650	75,214	(21,564)	53,500	64,836	(11,336)
Insurance	5,650	5,775	(125)	5,728	2,212	3,516
Road and bridge materials	180,200	176,806	3,394	170,000	176,887	(6,887)
Equipment repairs	15,000	28,675	(13,675)	15,000	6,080	8,920
Equipment purchases	0	32,645	(32,645)	0	21,900	(21,900)
Construction, repair, and maintenance	223,955	299,264	(75,309)	39,000	163,061	(124,061)
Tax anticipation note repayment	48,609	48,609	0	63,300	63,300	0
Other	3,290	3,444	(154)	4,700	3,039	1,661
Transfers out	5,090	5,466	(376)	30,122	30,122	0
<b>Total Disbursements</b>	<b>716,061</b>	<b>804,502</b>	<b>(88,441)</b>	<b>548,712</b>	<b>665,121</b>	<b>(116,409)</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>(7,542)</b>	<b>(26,231)</b>	<b>(18,689)</b>	<b>67,329</b>	<b>2,186</b>	<b>(65,143)</b>
CASH, JANUARY 1	79,070	79,070	0	76,884	76,884	0
CASH, DECEMBER 31	\$ 71,528	52,839	(18,689)	144,213	79,070	(65,143)

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit D

WORTH COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 ASSESSMENT FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 29,969	29,682	(287)	29,960	26,767	(3,193)
Interest	0	45	45	50	27	(23)
Other	60	13	(47)	56	625	569
Transfers in	13,121	11,005	(2,116)	16,684	16,264	(420)
Total Receipts	<u>43,150</u>	<u>40,745</u>	<u>(2,405)</u>	<u>46,750</u>	<u>43,683</u>	<u>(3,067)</u>
DISBURSEMENTS						
Assessor	43,150	41,315	1,835	46,750	43,113	3,637
Total Disbursements	<u>43,150</u>	<u>41,315</u>	<u>1,835</u>	<u>46,750</u>	<u>43,113</u>	<u>3,637</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(570)	(570)	0	570	570
CASH, JANUARY 1	570	570	0	0	0	0
CASH, DECEMBER 31	<u>\$ 570</u>	<u>0</u>	<u>(570)</u>	<u>0</u>	<u>570</u>	<u>570</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit E

WORTH COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 LAW ENFORCEMENT TRAINING FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 950	514	(436)	850	624	(226)
Interest	60	81	21	55	59	4
Other	1,200	55	(1,145)	700	1,500	800
Total Receipts	2,210	650	(1,560)	1,605	2,183	578
DISBURSEMENTS						
Sheriff	2,500	1,065	1,435	2,500	1,021	1,479
Transfers out	0	0	0	0	6	(6)
Total Disbursements	2,500	1,065	1,435	2,500	1,027	1,473
RECEIPTS OVER (UNDER) DISBURSEMENTS	(290)	(415)	(125)	(895)	1,156	2,051
CASH, JANUARY 1	3,033	3,033	0	1,877	1,877	0
CASH, DECEMBER 31	\$ 2,743	2,618	(125)	982	3,033	2,051

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit F

WORTH COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 PROSECUTING ATTORNEY TRAINING FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 175	129	(46)	176	157	(19)
Total Receipts	<u>175</u>	<u>129</u>	<u>(46)</u>	<u>176</u>	<u>157</u>	<u>(19)</u>
DISBURSEMENTS						
Prosecuting Attorney	200	50	150	200	0	200
Total Disbursements	<u>200</u>	<u>50</u>	<u>150</u>	<u>200</u>	<u>0</u>	<u>200</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(25)	79	104	(24)	157	181
CASH, JANUARY 1	282	282	0	125	125	0
CASH, DECEMBER 31	<u>\$ 257</u>	<u>361</u>	<u>104</u>	<u>101</u>	<u>282</u>	<u>181</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit G

WORTH COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 LAW ENFORCEMENT SALES TAX FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Sales taxes	\$ 48,000	51,142	3,142	48,000	47,726	(274)
Interest	333	199	(134)	110	333	223
Other	2,118	403	(1,715)	3,000	2,118	(882)
Total Receipts	50,451	51,744	1,293	51,110	50,177	(933)
DISBURSEMENTS						
Salaries	43,838	40,825	3,013	29,500	35,193	(5,693)
Employee fringe benefits	5,050	4,100	950	4,800	3,483	1,317
Office expenditures	1,270	1,100	170	3,211	2,529	682
Equipment	4,900	6,466	(1,566)	4,500	5,164	(664)
Other	700	1,932	(1,232)	3,586	3,637	(51)
Total Disbursements	55,758	54,423	1,335	45,597	50,006	(4,409)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,307)	(2,679)	2,628	5,513	171	(5,342)
CASH, JANUARY 1	5,310	5,310	0	5,139	5,139	0
CASH, DECEMBER 31	\$ 3	2,631	2,628	10,652	5,310	(5,342)

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit H

WORTH COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 CAPITAL IMPROVEMENTS SALES TAX 40% FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Sales taxes	\$ 14,350	15,343	993	14,070	14,318	248
Interest	725	862	137	397	725	328
Interfund loan repayment	0	2,352	2,352	0	0	0
Total Receipts	15,075	18,557	3,482	14,467	15,043	576
DISBURSEMENTS						
Road and bridge materials	22,500	5,376	17,124	22,500	9,988	12,512
Interfund loan	0	9,798	(9,798)	0	0	0
Total Disbursements	22,500	15,174	7,326	22,500	9,988	12,512
RECEIPTS OVER (UNDER) DISBURSEMENTS	(7,425)	3,383	10,808	(8,033)	5,055	13,088
CASH, JANUARY 1	23,214	23,214	0	18,159	18,159	0
CASH, DECEMBER 31	\$ 15,789	26,597	10,808	10,126	23,214	13,088

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit I

WORTH COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 CAPITAL IMPROVEMENTS SALES TAX 60% FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Sales taxes	\$ 21,480	23,014	1,534	21,106	21,476	370
Interest	3,700	2,783	(917)	326	3,642	3,316
Other	0	2	2	0	0	0
Total Receipts	<u>25,180</u>	<u>25,799</u>	<u>619</u>	<u>21,432</u>	<u>25,118</u>	<u>3,686</u>
DISBURSEMENTS						
Courthouse repairs	88,575	57,669	30,906	74,413	34,614	39,799
Total Disbursements	<u>88,575</u>	<u>57,669</u>	<u>30,906</u>	<u>74,413</u>	<u>34,614</u>	<u>39,799</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(63,395)	(31,870)	31,525	(52,981)	(9,496)	43,485
CASH, JANUARY 1	66,816	66,816	0	76,312	76,312	0
CASH, DECEMBER 31	<u>\$ 3,421</u>	<u>34,946</u>	<u>31,525</u>	<u>23,331</u>	<u>66,816</u>	<u>43,485</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit J

WORTH COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 EMERGENCY PREPAREDNESS FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 5,107	4,425	(682)	5,533	5,072	(461)
Interest	0	8	8	0	0	0
Transfers in	4,135	1,688	(2,447)	3,000	4,135	1,135
Total Receipts	9,242	6,121	(3,121)	8,533	9,207	674
DISBURSEMENTS						
Salaries	7,200	7,200	0	7,200	7,200	0
Employee fringe benefits	571	517	54	551	566	(15)
Mileage and training	75	30	45	264	49	215
Total Disbursements	7,846	7,747	99	8,015	7,815	200
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,396	(1,626)	(3,022)	518	1,392	874
CASH, JANUARY 1	1,719	1,719	0	327	327	0
CASH, DECEMBER 31	\$ 3,115	93	(3,022)	845	1,719	874

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit K

WORTH COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 SENIOR CITIZENS SERVICES FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 9,400	10,971	1,571	10,000	8,295	(1,705)
Intergovernmental	0	2	2	600	0	(600)
Interest	200	124	(76)	300	187	(113)
Transfer in	60	0	(60)	0	52	52
Total Receipts	9,660	11,097	1,437	10,900	8,534	(2,366)
DISBURSEMENTS						
Contract services	10,050	8,728	1,322	12,300	10,025	2,275
Rent	900	900	0	1,300	900	400
Other	60	262	(202)	300	60	240
Total Disbursements	11,010	9,890	1,120	13,900	10,985	2,915
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,350)	1,207	2,557	(3,000)	(2,451)	549
CASH, JANUARY 1	1,359	1,359	0	3,810	3,810	0
CASH, DECEMBER 31	\$ 9	2,566	2,557	810	1,359	549

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit L

WORTH COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 BAD CHECK FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 1,550	1,539	(11)	550	1,522	972
Interest	140	137	(3)	0	140	140
Total Receipts	<u>1,690</u>	<u>1,676</u>	<u>(14)</u>	<u>550</u>	<u>1,662</u>	<u>1,112</u>
DISBURSEMENTS						
Prosecuting Attorney	<u>4,500</u>	<u>5,217</u>	<u>(717)</u>	<u>3,048</u>	<u>0</u>	<u>3,048</u>
Total Disbursements	<u>4,500</u>	<u>5,217</u>	<u>(717)</u>	<u>3,048</u>	<u>0</u>	<u>3,048</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(2,810)</u>	<u>(3,541)</u>	<u>(731)</u>	<u>(2,498)</u>	<u>1,662</u>	<u>4,160</u>
CASH, JANUARY 1	5,541	5,541	0	3,879	3,879	0
CASH, DECEMBER 31	<u>\$ 2,731</u>	<u>2,000</u>	<u>(731)</u>	<u>1,381</u>	<u>5,541</u>	<u>4,160</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit M

WORTH COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 JUVENILE GRANT FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Interest	\$ 110	38	(72)	65	84	19
Total Receipts	110	38	(72)	65	84	19
DISBURSEMENTS						
Foster care	500	0	500	1,000	0	1,000
Office expense	275	266	9	275	0	275
Total Disbursements	775	266	509	1,275	0	1,275
RECEIPTS OVER (UNDER) DISBURSEMENTS	(665)	(228)	437	(1,210)	84	1,294
CASH, JANUARY 1	1,972	1,972	0	1,888	1,888	0
CASH, DECEMBER 31	\$ 1,307	1,744	437	678	1,972	1,294

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit N

WORTH COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 RECORDER USER FEES FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 890	868	(22)	1,065	876	(189)
Interest	155	176	21	125	152	27
Total Receipts	<u>1,045</u>	<u>1,044</u>	<u>(1)</u>	<u>1,190</u>	<u>1,028</u>	<u>(162)</u>
DISBURSEMENTS						
Ex Officio Recorder of Deeds	5,930	0	5,930	5,930	0	5,930
Total Disbursements	<u>5,930</u>	<u>0</u>	<u>5,930</u>	<u>5,930</u>	<u>0</u>	<u>5,930</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,885)	1,044	5,929	(4,740)	1,028	5,768
CASH, JANUARY 1	6,074	6,074	0	5,046	5,046	0
CASH, DECEMBER 31	<u>\$ 1,189</u>	<u>7,118</u>	<u>5,929</u>	<u>306</u>	<u>6,074</u>	<u>5,768</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit O

WORTH COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 DOMESTIC VIOLENCE FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 140	85	(55)	120	100	(20)
Interest	0	14	14	0	12	12
Total Receipts	140	99	(41)	120	112	(8)
DISBURSEMENTS						
Crime victims	640	0	640	640	0	640
Total Disbursements	640	0	640	640	0	640
RECEIPTS OVER (UNDER) DISBURSEMENTS	(500)	99	599	(520)	112	632
CASH, JANUARY 1	898	898	0	786	786	0
CASH, DECEMBER 31	\$ 398	997	599	266	898	632

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit P

WORTH COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 COPS FAST GRANT FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 0	0	0	15,586	2,970	(12,616)
Interest	0	0	0	73	7	(66)
Transfers in	7,021	7,105	84	0	6,353	6,353
Total Receipts	7,021	7,105	84	15,659	9,330	(6,329)
DISBURSEMENTS						
Salaries	6,432	6,235	197	12,256	8,310	3,946
Employee fringe benefits	589	870	(281)	2,135	1,844	291
Total Disbursements	7,021	7,105	(84)	14,391	10,154	4,237
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0	1,268	(824)	(2,092)
CASH, JANUARY 1	0	0	0	824	824	0
CASH, DECEMBER 31	\$ 0	0	0	2,092	0	(2,092)

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit Q

WORTH COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 PROSECUTING ATTORNEY DELINQUENT TAX FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 570	321	(249)	210	557	347
Interest	0	13	13	0	0	0
Total Receipts	<u>570</u>	<u>334</u>	<u>(236)</u>	<u>210</u>	<u>557</u>	<u>347</u>
DISBURSEMENTS						
Prosecuting Attorney	200	0	200	200	25	175
Total Disbursements	<u>200</u>	<u>0</u>	<u>200</u>	<u>200</u>	<u>25</u>	<u>175</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	370	334	(36)	10	532	522
CASH, JANUARY 1	720	720	0	188	188	0
CASH, DECEMBER 31	<u>\$ 1,090</u>	<u>1,054</u>	<u>(36)</u>	<u>198</u>	<u>720</u>	<u>522</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit R

WORTH COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 CIRCUIT CLERK INTEREST FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Interest	\$ 210	368	158	220	869	649
Total Receipts	210	368	158	220	869	649
DISBURSEMENTS						
Circuit Clerk	0	0	0	0	655	(655)
Total Disbursements	0	0	0	0	655	(655)
RECEIPTS OVER (UNDER) DISBURSEMENTS	210	368	158	220	214	(6)
CASH, JANUARY 1	207	410	203	48	196	148
CASH, DECEMBER 31	\$ 417	778	361	268	410	142

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit S

WORTH COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 LOCAL EMERGENCY PLANNING COMMITTEE FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$		0	0	1,757	1,757
Interest			0	0	200	200
Total Receipts		0	0	0	1,957	1,957
DISBURSEMENTS						
Office expense			0	0	1,409	(1,409)
Mileage and training			0	0		0
Total Disbursements		0	0	0	1,409	(1,409)
RECEIPTS OVER (UNDER) DISBURSEMENTS		0	0	0	548	548
CASH, JANUARY 1			0	7,181	7,181	0
CASH, DECEMBER 31	\$	0	0	7,181	7,729	548

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

WORTH COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of Worth County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, or the Senior Citizens Services Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from generally accepted accounting principles, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 1994 and RSMo Cumulative Supp. 1999, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the Local Emergency Planning Committee, POST, and Law Library funds for the years ended December 31, 1999 and 1998.

Warrants issued were in excess of budgeted amounts for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
General Revenue Fund	1998
Special Road and Bridge Fund	1999 and 1998
Law Enforcement Sales Tax Fund	1998
Bad Check Fund	1999
COPS Fast Grant Fund	1999
Circuit Clerk Interest Fund	1998

Section 50.740, RSMo 1994, prohibits expenditures in excess of the approved budgets.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 1994, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the county's published financial statements for the years ended December 31, 1999 and 1998, did not include the Circuit Clerk Interest Fund, and Law Library Fund.

2. Cash

Section 110.270, RSMo 1994, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo Cumulative Supp. 1999, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions. The county's deposits at December 31, 1999 and 1998, were entirely covered by federal depository insurance or by collateral securities held by the county's custodial bank in the county's name.

Schedule

WORTH COUNTY, MISSOURI  
 SCHEDULE OF FINDINGS  
 YEARS ENDED DECEMBER 31, 1999 AND 1998

This schedule includes the audit finding that *Government Auditing Standards* requires to be reported for an audit of financial statements.

**99-1. Overspending of Budgets**

Disbursements were made in excess of the approved budgets in the following funds during the two years ended December 31, 1999, as follows:

Fund	Year Ended December 31,	1999	1998
General Revenue	\$	N/A	3,981
Special Road and Bridge		88,441	116,409
Law Enforcement Sales Tax		N/A	4,409
Bad Check		717	N/A
COPS Fast Grant		84	N/A
Circuit Clerk Interest		N/A	655

While the County Clerk prepares periodic budget to actual reports, they were apparently not effectively used for the Special Road and Bridge Fund. The majority of the overspending involved disbursements for two federally-funded bridge projects. The county received and spent significantly more than the budgeted amounts for these projects, but failed to adequately compare the budgeted and actual amounts and, therefore, did not prepare budget amendments.

It was ruled in State ex. rel. Strong v. Cribb, 364 Mo. 1122, SW 2d 246 (1954), that strict compliance with the county budget law is required by county officials. If there are valid reasons which necessitate excess expenditures, budget amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's office. In addition, Section 50.622, RSMo Supp. 1999, provides that counties may amend the annual budget during any year in which the county receives additional funds which could not be estimated when the budget was adopted and that the county shall follow the same procedures required for adoption of the annual budget to amend its budget.

**WE RECOMMEND** the County Commission adopt procedures to compare budgeted and actual disbursements and ensure the county and applicable officials do not authorize disbursements in excess of budgeted expenditures. If valid reasons necessitate excess expenditures, the original budgets should be formally amended.

**AUDITEE'S RESPONSE**

*We agree and we will amend the budgets as needed in the future. We will more closely monitor budgeted and actual expenditures.*

## Follow-Up on Prior Audit Findings

WORTH COUNTY, MISSOURI  
FOLLOW-UP ON PRIOR AUDIT FINDINGS

Our prior audit report issued for the three years ended December 31, 1997, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

SECTION ON OTHER MATTERS

WORTH COUNTY, MISSOURI  
LETTER ON OTHER MATTERS

We have audited the special-purpose financial statements of various funds of Worth County, Missouri, as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 14, 2000.

We did not review the operations of elected officials with funds other than those presented in the special-purpose financial statements. The operations of such officials will be reviewed and reported on during the state auditor's next scheduled audit of the county.

This Letter on Other Matters presents matters other than the findings, if any, reported in the accompanying Schedule of Findings. These matters resulted from our audit of the special-purpose financial statements of Worth County but do not meet the criteria for inclusion in the written report on compliance and on internal control over financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*. Nevertheless, the county should consider these matters and take appropriate corrective action.

1. Financial Condition

The county's General Revenue Fund is in poor financial condition. The county relies on tax anticipation notes (TANs) to maintain a positive cash flow in the General Revenue Fund. The past two years, the county has borrowed on TANs as early as February in order to operate the remainder of the year. The balance of outstanding TANs has increased steadily over the past five years, from \$46,012 at December 31, 1995, to \$121,380 at December 31, 1999 (approximately 40 percent of the 1999 total General Revenue Fund revenues). In addition, the county made an interfund loan of \$9,798 from the Capital Improvements Sales Tax 40 % Fund to the General Revenue Fund in 1999 which was primarily repaid in 2000.

2. Personnel Policies and Procedures

The county's compensatory time policy for its employees may not comply with the Fair Labor Standards Act. Time sheets and leave records for the Sheriff's deputies are not routinely submitted to the County Clerk's office.

3. County Expenditures

The county did not always advertise and solicit bids, nor was bid documentation always retained for various purchases.

4. Vehicle and Equipment Usage Logs

Usage reports for county vehicles are prepared by the Sheriff's Department, but the reports are not reviewed by the County Commission. Usage reports are not prepared for the road and

bridge vehicles or equipment. The county allows the Road and Bridge Supervisor to drive his county vehicle to his residence, but does not report the value of the commuting mileage on his W-2 form.

5. Emergency Preparedness Program

The county operates an emergency preparedness program which is funded from federal assistance, payments from cities, and the county's General Revenue Fund. Written agreements between the county and the cities outlining the terms and responsibilities of the cities' participation have not been developed.

6. General Fixed Assets

The county's general fixed asset records do not include some county property. Additions per the general fixed asset records are not reconciled periodically to fixed asset purchases. Property tags are not attached to assets designating the items as county property.

This Letter on Other Matters is intended for the information of the management of Worth County, Missouri, and other applicable government officials. However, this letter is a matter of public record and its distribution is not limited.

\* \* \* \* \*